

Decision 22-06-013 June 2, 2022

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of SAN JOSE WATER COMPANY (U168W) for Approval of Cost Recovery for Advanced Metering infrastructure.

Application 19-12-002

**DECISION GRANTING JOINT MOTION FOR APPROVAL OF SETTLEMENT BETWEEN SAN JOSE WATER COMPANY, PUBLIC ADVOCATES OFFICE, AND WATER RATE ADVOCATES FOR TRANSPARENCY, EQUITY AND SUSTAINABILITY**

**Summary**

This decision adopts and approves the All-Party Settlement Agreement (Settlement Agreement) between San Jose Water Company (SJWC), Water Rate Advocates for Transparency, Equity, and Sustainability and the Public Advocates Office of the California Public Utilities Commission (collectively, the Parties) pertaining to SJWC's application for approval of cost recovery for Advanced Metering Infrastructure (AMI) filed December 6, 2019 (the Application).

Attachment 1 to this decision is the Settlement Agreement, which resolves all disputes related to the Application, and memorializes the modifications to the Application upon which the Parties agree.

Under the terms of the Parties' Settlement Agreement, SJWC is to achieve full deployment of its AMI program within four years after issuance of this decision, during which SJWC will utilize traditional and electronic means to educate customers about the program. The recorded costs of the deployment will be included in rate base through annual Tier 2 Advice Letter filings, and the Commission is asked to adopt new Performance Incentive Mechanism criteria to monitor SJWC's compliance with certain criteria that the Parties agree should be put in place in connection with the AMI deployment.

We find that the Settlement Agreement between the Parties is reasonable based upon the whole record in this proceeding and is consistent with the law and in the public interest.

This Decision closes proceeding Application 19-12-002.

## **1. Background**

On December 6, 2019, San Jose Water Company (SJWC) filed Application (A.) 19-12-002, for approval of cost recovery for Advanced Metering Infrastructure (AMI) (the Application). It is seeking authorization to increase rates for water service to fund the deployment of AMI throughout its service area.<sup>1</sup> In this Application, SJWC seeks to increase its rates to cover costs related to AMI deployment. SJWC proposes an increase of \$2,315,000 or 0.61 percent in 2021, an increase of \$3,960,000 or 1.04 percent in 2022, an increase of \$2,510,000 or 0.65 percent in 2023 and an increase of \$341,000 or 0.09 percent in 2024.<sup>2</sup>

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<sup>1</sup> The Application includes six attachments: (A) December 25, 2019 AMI Report; (B) Financial Statements; (C) Tariff Pages w Current Rates; (D) Summary of Earnings, and (E) Proposed Customer Notice. SJWC also served direct testimony of John Tang (on Policy, Revenue Requirement, Rate Implementation), Jake Walsh (on Engineering), and Tricia Anklan (on Business Case for AMI).

<sup>2</sup> See Application at 16.

SJWC contends that AMI technology includes advanced meters that can take up to hourly readings with a data transmission system that can provide this water usage data to both customers and utility staff in real time. SJWC believes that this technology is a critical tool that will help customers comply with the state water use standards, reduce water loss through early notification of the presence of leaks, and minimize SJWC's and the state of California's carbon footprint.<sup>3</sup>

SJWC contends that, with AMI, customers have an improved ability to manage their near real-time water consumption and detect water leaks, better capabilities to troubleshoot and investigate high usage, and the ability to comply with conservation mandates. SJWC asserts that AMI could help communities conserve water by minimizing water waste, thereby reducing the energy, greenhouse gas emissions, and chemical use associated with producing water that is ultimately lost – in addition to reducing greenhouse gas emissions via fewer meter reading truck miles driven. AMI could benefit water utilities, they argue, helping to eliminate the hazardous work of manual meter reading, and improving identification of leaks, backflow, theft, and meter tampering. This in turn results in improved water quality across the system and a more equitable distribution of costs.<sup>4</sup>

SJWC's present rates are those authorized by Commission Decision (D.) 18-11-025 (as corrected by D.19-06-018, D.19-06-010, D.13-07-028 and implemented by Advice Letter (AL) No. 556) and by AL Nos. 561A and 566. The

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<sup>3</sup> See Application at 1.

<sup>4</sup> *Id* at 3.

most recent rates as of the filing of the Application are set forth in the rate schedules provided as Exhibit C to the Application.<sup>5</sup>

### **1.1. Procedural Background**

The Application was filed on December 6, 2019, and appeared on the Commission's Daily Calendar on the same date. On December 19, 2019, in Resolution (Res.) ALJ 176-3453, the Commission preliminarily designated the proceeding as ratesetting and concluded that hearings would be necessary.

On January 6, 2020, the Public Advocates Office of the California Public Utilities Commission (Cal Advocates) filed a protest to the Application (Protest), indicating that it would conduct discovery and analysis in order to provide recommendations to the Commission on the requests made by SJWC in its Application, including: (1) the cost-effectiveness of SJWC's proposed deployment of AMI (Project); (2) the reasonableness of project assumptions and estimates; (3) the reasonableness of SJWC's proposed ratemaking; and (4) the adequacy of SJWC's customer education program and data privacy.<sup>6</sup>

A prehearing conference (PHC) was held on February 6, 2020, to determine the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary. Water Rate Advocates for Transparency, Equity, and Sustainability (WRATES) appeared at the PHC to present an oral motion for party status, which was granted.

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<sup>5</sup> See Application at 15.

<sup>6</sup> See January 6, 2020 Protest at 1-2. Cal Advocates also submitted a Report and Recommendations dated May 1, 2020 with testimony by four witnesses: Brian Yu, Justin Menda, Prashanta Adhikari and K.M. Jawadul Baki.

The assigned Commissioner issued the Scoping Memo and Ruling on April 16, 2020, setting the following as issues to be determined in the proceeding:

- Whether SJWC's proposed Project is reasonable and cost effective?
- Whether SJWC's assumptions and estimates are reasonable?
- Whether SJWC's proposed rate increases are reasonable?
- Whether the proposed Project creates any direct or indirect public benefits?
- Whether SJWC will have an adequate customer education program regarding this Project?
- Whether the Project contains adequate data privacy standards?

SJWC, Cal Advocates and WRATES engaged in settlement negotiations, including a formally noticed settlement conference held on October 9, 2020 in compliance with Rule 12.1(b) of the Commission's Rules of Practice and Procedure.<sup>7</sup> On June 10, 2021, SJWC and Cal Advocates agreed to settle the proceeding and concurrently filed a Joint Motion for Approval of the Settlement Agreement (Joint Motion).<sup>8</sup> On August 5, 2021, WRATES joined the Settlement Agreement and Joint Motion to approve the settlement.<sup>9</sup>

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<sup>7</sup> All subsequent Rules refer to the Commission's Rules of Practice and Procedure.

<sup>8</sup> See June 10, 2021 Joint Motion of SJWC and Cal Advocates for Approval of Settlement Agreement (Joint Motion). Attachment A to the Joint Motion is the Proposed Settlement Agreement.

<sup>9</sup> See August 5, 2021 Joint Motion of SJWC and Cal Advocates for Approval of Settlement Agreement, the substance of which is identical to the Joint Motion, but which adds WRATES as a signatory to the Motion and settlement Agreement.

## 1.2. Parties

SJWC is a public utility engaged in the supply and distribution of water for domestic and industrial purposes in San Jose, Cupertino, Campbell, Los Gatos, Monte Sereno, Saratoga, and in unincorporated territory in the County of Santa Clara. It provides water service to approximately one million people in the greater San Jose metropolitan area. SJWC's service area encompasses about 140 square miles and includes approximately 230,000 active metered services.<sup>10</sup>

WRATES is an advocacy group, comprised of engineers and other scientific professionals, whose goal is water conservation and community education. They intend to work with SJWC to develop approaches to identify baseline measurements on water leakage on both the utility and customer side. WRATES became a party to the proceeding at the PHC.<sup>11</sup>

Cal Advocates serves as representative on behalf of California consumers.<sup>12</sup> Cal Advocates' statutory mandate requires it to "advocate on behalf of the interests of public utility customers and subscribers within the jurisdiction of the commission" and "obtain the lowest possible rate for service consistent with reliable and safe service levels."

WRATES and Cal Advocates question whether SJWC's proposals about costs of AMI deployment are reasonable. To address this, Cal Advocates proposes a Performance Incentive Mechanism (PIM) to measure and monitor whether SJWC meets its goals and achieves the benefits for customers that it expects.

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<sup>10</sup> Application at 2. SJWC's principal place of business is 110 W. Taylor Street, San Jose, California 95110.

<sup>11</sup> See PHC Transcript dated February 6, 2020, at page 14, line 20–page 16, line 15.

<sup>12</sup> See California Public Utilities (Pub. Util.) Code § 309.5.

### **1.3. Settlement of Disputes**

SJWC, WRATES, and Cal Advocates (collectively, the Parties) met and conferred several times in the weeks following the PHC. On October 9, 2020, the Parties held a formally noticed settlement conference in compliance with Rule 12.1(b). They agreed to settle the proceeding on August 5, 2021.<sup>13</sup> As discussed below, the settlement includes a PIM as proposed by Cal Advocates.

## **2. Summary of Settlement Provisions Addressing Scope**

### **2.1. Performance Incentive Mechanism**

The Parties agree that SJWC will achieve full deployment of its AMI within four years of a final decision from the Commission.

Cal Advocates proposes, and all Parties agree, that there should be a PIM in place to monitor whether SJWC's AMI is meeting its goals and achieving stated customer benefits. The Parties agrees that SJWC must provide annual updates to the Commission's Water Division to demonstrate that it is in compliance with the Settlement Agreement before it may recover the associated revenue for the PIM requirement during the next calendar year. SJWC's compliance will be evaluated upon (1) customer/subscriber enrollment in the WaterSmart Portal; (2) customer/subscriber leak alerts; (3) water loss associated with leaks; (4) bill adjustments for leaks; and (5) savings from field operations.<sup>14</sup>

Beginning in the year after one year of full deployment of SJWC's AMI and ending 15 years later, SJWC shall demonstrate compliance with the five PIM requirements for each year through either its Step-Rate AL filings or general rate case (GRC) filings.

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<sup>13</sup> See Joint Motion at 2.

<sup>14</sup> See Joint Motion, Attachment A at A-5 to A-6.

## **2.2. Depreciation Rate Agreement**

The Parties agree that SJWC may use the depreciation rate authorized in its 2018 GRC in D.18-11-025<sup>15</sup>, but that assets will be depreciated over the life span of the Project.<sup>16</sup>

## **2.3. Meter Replacement Savings**

The SJWC and Cal Advocates disagreed about whether estimated cost savings for meter replacement from 2022-2027 should be characterized as capital cost savings and associated with AMI. Cal Advocates contended that meter replacement is necessary whether or not AMI is implemented, therefore cost savings related to meter replacement between 2022-2027 should not be characterized as capital cost savings. The Parties agree that cost savings associated with meter replacement will be included within SJWC's line items for field operations cost savings, which are part of its annual step-rate and GRC filing reporting requirements for AMI.<sup>17</sup>

## **2.4. Customer Education**

SJWC plans an extensive outreach and education campaign to educate its customers about the AMI program. This will include community events, publishing brochures in multiple languages and conducting a Google ads campaign. WRATES criticized the program, noting that a "trusted source" is necessary to inform ratepayers about PIM. The Parties agree that SJWC will

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<sup>15</sup> See D.18-11-025 November 29, 2018 Decision Approving Settlement Agreement In the Matter of the Application of SAN JOSE WATER COMPANY (U168W) for an Order authorizing it to increase rates charged for water service by \$34,288,100 or 9.76 percent in 2019, by \$14,231,800 or 3.70 percent in 2020, and by \$20,581,700 or 5.17 percent in 2021.

<sup>16</sup> See Joint Motion, Attachment A at A-6 to A-7.

<sup>17</sup> See Joint Motion, Attachment A at A-7.



utilize traditional and electronic means to educate ratepayers about the AMI program.<sup>18</sup>

### **2.5. Customer/Subscriber Privacy Agreement**

SJWC will comply with the California Consumer Privacy Act with respect to the AMI program. It will require all bidders for the AMI system to comply with security requirements to safeguard data from the time of initial transmission through long-term storage. Customer-specific information such as customer name, address, account number and/or bill payment status will not be transmitted over the network.<sup>19</sup>

### **2.6. Cost Recovery Agreement**

SJWC and Cal Advocates agree that costs of the AMI deployment, after being used and useful, will be included in rate base through annual Tier 2 AL filings. Capitalized interest will not be compounded, instead interest during construction will be accrued on a monthly basis at SJWC's actual weighted average cost of debt.<sup>20</sup>

### **2.7. Billing Agreement**

Cal Advocates and WRATES express concern that SJWC's methods for calculating service charges are inaccurate, do not conform to SJWC's tariff and that corrections for these issues should be made at SJWC's own expense. They contend that, as a result of SJWC's error, customer bills may fund over three percent more than the actual costs of AMI. For this reason, they argue that the Commission should require SJWC to adopt a uniform process of prorating

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<sup>18</sup> See Joint Motion, Attachment A at A-8.

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

monthly service charges, and that the Commission should require SJWC, not customers, to absorb the costs of correcting its billing practices.

The Parties agree that, within three months from the issuance of the Commission's decision approving the Settlement Agreement, SJWC must implement one standard uniform formula to accurately calculate and prorate monthly service charges for its customers/subscribers. The costs to implement such a formula shall be borne by SJWC and not recovered from ratepayers.<sup>21</sup>

### **3. Settlement Standard of Review**

The requirements for approval of a settlement are set forth in Rule 12.1(a). The Commission will only approve a proposed settlement if we find that the settlement satisfies Rule 12.1(d), which requires a settlement to be "reasonable in light of the whole record, consistent with law, and in the public interest." The Commission will not approve settlements, whether contested or uncontested, unless the settlement satisfies the Rule. Rule 12.5 limits the applicability of a settlement.<sup>22</sup>

#### **3.1. The Settlement Agreement Is Reasonable In Light of the Whole Record**

To determine whether a settlement meets the standard of review in Rule 12.1, the Commission must be convinced that the Parties had a sound and thorough understanding of the application and of the record supporting the application. The record in this proceeding consists of: (1) the Application and five attachments; (2) the prepared testimony of three witnesses in support of the

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<sup>21</sup> See Joint Motion, Attachment A at A-9.

<sup>22</sup> Rule 12.5: "Commission adoption of a settlement is binding on all parties to the proceeding in which the settlement is proposed. Unless the Commission expressly provides otherwise, such adoption does not constitute approval of, or precedent regarding, any principle or issue in the proceeding or in any future proceeding."

Application; (3) the joint statements and motions of the Parties dated May 7, 2021, June 10, 2021, and August 5, 2021; (4) the Public Advocates Office Report and Recommendations dated May 1, 2020; (5) San Jose Water Company Rebuttal Testimony; and (6) the transcripts of the February 6, 2020 PHC and May 11, 2021 status conference.<sup>23</sup>

The testimony and supporting exhibits submitted in this proceeding demonstrate that the Parties have a sound and thorough understanding of the underlying assumptions and of the record. The Settlement Agreement resolves the concerns that Cal Advocates raises in its Protest, addresses the issues within the scoping memorandum and provides sufficient information to permit the Commission to discharge its regulatory obligations.

The Settlement Agreement resolves competing concerns in a collaborative and cooperative manner. The Parties have demonstrated that they have extensively researched and debated the issues to arrive at appropriate recommendations for settlement of their disputes. By reaching agreement, the Parties also avoided the costs of further litigation.

### **3.2. The Settlement is Consistent with the Law**

SJWC, WRATES and Cal Advocates contend that the settlement is consistent with applicable law and addresses the Commission's directive to commence transition to the use of AMI for Class A and Class B water services to increase data for customer and operational use, produce conservation signals

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<sup>23</sup> We note here that Exhibits A-J submitted by WRATES on May 3, 2021 with its Proposed Exhibit and Witness List are not included in the record herein, as WRATES expressly acknowledges in its May 13, 2021 Response in Opposition to San Jose Water Company's Motion *in Limine* to Exclude Exhibits A through J, that they were expressly "intended for possible use in cross-examination and were not intentionally submitted as testimony" and that WRATES "does not intend to offer any testimony at this time. The Exhibits, as WRATES understands, are not part of the record."

through real-time data delivery, improve water management, reduce leaks and promote equity and sustainability.<sup>24</sup> The issues resolved in the Settlement Agreement are within the scope of the proceeding and nothing in the settlement contravenes any statute or Commission decision or rule.

### **3.3. The Settlement is in the Public Interest**

SJWC, WRATES and Cal Advocates contend that the settlement is in the public interest, because its approval will provide efficient resolution of contested issues, will avoid unnecessary litigation expense, will conserve Commission resources and will allow SJWC to begin deployment of AMI throughout its service area. Approval of the Settlement Agreement allows SJWC to recover a reasonable rate of return and promotes safety, reliability, operational efficiency and infrastructure development and investment, while at the same time keeping customer rates as low as is reasonable.<sup>25</sup>

We conclude that the Settlement Agreement meets the requirements under Rule 12.1.

### **4. Request for Confidential Treatment**

SJWC and Cal Advocates each submitted confidential documents.<sup>26</sup> Pub. Util. Code Section 583 and General Order (GO) 66-C authorize the Commission to exclude certain information from public inspection, if revealing

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<sup>24</sup> See Joint Motion at 4-5 and fn. 4 citing D.16-12-026, *Order Instituting Rulemaking on the Commission's Own Motion into Addressing the Commission's Water Action Plan Objective of Setting Rates that Balance Investment, Conservation, and Affordability for Class A and Class B Water Utilities*, Decision Providing Guidance on Water Rate Structure and Tiered Rates at 63.

<sup>25</sup> See Joint Motion at 9.

<sup>26</sup> SJWC submitted a confidential version of the testimony of Tricia Anklan (SJW-3C) and of its Rebuttal Testimony (SJW-4C). Cal Advocates submitted a confidential version of its Public Advocates Office Report and Recommendations (PAO-1C).

the reports, records or information would place the regulated company at an unfair business disadvantage.

Absent additional concerns or protests, the public interest in protecting confidential financial information outweighs the public interest in disclosing the information. SJWC and Cal Advocates filed Motions requesting confidential handling of those documents on April 28 and 29, 2022 respectively. Pursuant to Rule 11.5, we seal the confidential portions of the evidentiary record, and pursuant to D.06-06-066, authorize the confidential treatment of those exhibits as set forth in the ordering paragraphs of this decision. The Motions should be granted.

## **5. AL Requirements**

The Settlement Agreement includes provisions about revenue adjustments, and adjustments to billing which require ALs to be submitted. For each, SJWC is required to submit revised tariff schedules which comply with GO 96-B for approval by the Commission's Water Division, within 90 days of the effective date. Supporting work papers shall be included with each AL.

## **6. Admission of Testimony into the Record**

In their Settlement Agreement, SJWC and Cal Advocates agree to admission into evidence of prepared testimony and certain exhibits and agree to waive cross examination of witnesses regarding prepared testimony and exhibits. Accordingly, pursuant to Rule 13.8, the Commission receives the testimony served by the Parties as exhibits into the record as evidence supporting the Settlement Agreement and approval of this case.

## **7. Waiver of Comment Period**

SJWC and Cal Advocates resolved Cal Advocates' Protest and filed a Joint Motion on June 10, 2021. WRATES joined the settlement August 5, 2021. This

proposed decision grants the Joint Motion. Therefore, this is now an uncontested matter in which the proposed decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code Section 311(g)(2) and Rule 14.6(c)(2), the otherwise applicable 30-day period for public review and comment is waived.

## **8. Categorization and Need for Hearings**

In Res. ALJ 176-3453 dated December 19, 2019, the Commission preliminarily categorized the Application as ratesetting, and preliminarily determined that hearings were necessary. At the time that the PHC was held on February 6, 2020, hearings still appeared necessary. The Assigned Commissioner's Scoping Memo and Ruling dated April 16, 2020, indicated that there was an issue about how any required public participation hearing or evidentiary hearings would be carried out (because of the COVID pandemic) however, the categorization was not changed. Because we have determined that the Joint Motion should be approved, evidentiary hearings are not needed in this proceeding.

## **9. Assignment of Proceeding**

Darcie L. Houck is the assigned Commissioner. Patricia B. Miles and Thomas J. Glegola are co-assigned as the Administrative Law Judges in this proceeding.

## **Findings of Fact**

1. The Settlement Agreement is the product of good-faith, arms' length negotiation between Parties reflecting all of the affected interests.
2. Each of the terms of the Settlement Agreement is the result of good faith compromise.
3. On December 6, 2019, SJWC filed Application 19-12-002, for approval of cost recovery for Advanced Metering Infrastructure.

4. SJWC is a public utility engaged in the supply and distribution of water for domestic and industrial purposes and serves approximately one million customers in the San Jose metropolitan area.

5. A protest was filed by Cal Advocates on January 6, 2020, and WRATES was granted party status at the PHC held February 6, 2020.

6. On June 10, 2021, SJWC and Cal Advocates filed a Settlement Agreement resolving their disputes about the proceeding. WRATES became a signatory to the Settlement Agreement on August 5, 2021.

7. The Settlement Agreement describes each party's position and the compromises they reached to resolve their differences.

8. In the Settlement Agreement, SJWC and Cal Advocates request the admittance of their exhibits into evidence.

9. SJWC and Cal Advocates request that the public and confidential versions of its Testimony and Exhibits included with its Application be received into evidence should be granted pursuant to Rule 11.5, GO 66-C and D.06-06-066.

10. The settlement does not violate any statute, Commission decision or rule.

11. The Parties demonstrate a sound and thorough understanding of the underlying assumptions and data in the record.

### **Conclusions of Law**

1. The Settlement Agreement is reasonable in light of the record as a whole.

2. The Settlement Agreement does not violate any laws or prior Commission decisions.

3. The Settlement Agreement taken as a whole is in the public interest.

4. The Settlement Agreement meets the criteria for approval of settlements in Rule 12(1)(d).

5. The Settlement Agreement should be approved.

6. The proposed Settlement Agreement satisfies the requirements of Rule 12.1, which provides that the Commission will not approve a settlement unless the settlement is reasonable in light of the whole record, consistent with law, and in the public interest.

7. The request to receive the testimony and exhibits of SJWC and Cal Advocates into the record, should be granted.

8. All rulings previously issued by either of the co-assigned ALJs in this proceeding should be deemed affirmed herein.

9. This is an uncontested matter in which the decision grants the relief requested, and therefore, the otherwise applicable 30-day period for public review should be waived, pursuant to Pub. Util. Code Section 311(g)(2).

10. This decision should be effective immediately.

11. This proceeding should be closed.

## **O R D E R**

**IT IS ORDERED** that:

1. The Joint Motion of San Jose Water Company, the Public Advocates Office of the California Public Utilities Commission, and the Water Rate Advocates for Transparency, Equity and Sustainability for Adoption of Settlement Agreement pertaining to the Application of San Jose Water Company for Approval of Cost Recovery for Advanced Metering Infrastructure is approved.

2. During the deployment phase, seven days after each delay in the deployment of the Advanced Metering Infrastructure is encountered and after San Jose Water Company and the Public Advocates Office of the California Public Utilities Commission subsequently meet and agree to modify the deployment schedule, San Jose Water Company shall inform the Water Division



of the Commission by letter on agreed-upon modifications to the deployment schedule.

3. During the deployment phase, San Jose Water Company shall provide reports on January 15 and July 15 which inform the Public Advocates Office and the Water Division of the California Public Utilities Commission of the number of meters deployed, the anticipated remaining deployment schedule, and associated delays with the deployment beyond San Jose Water Company's control.

4. For 15 years after one year of full deployment of the Advanced Metering Infrastructure, San Jose Water Company shall demonstrate compliance with the Performance Incentive Mechanism requirements and metrics, defined in the Settlement Agreement, in a Step-Rate Advice Letter (AL) or in a Tier 2 AL submission no later than November 16 of each year. This shall include:

- (a) Customer/Subscriber enrollment in the WaterSmart Portal,
- (b) Customer/Subscriber leak alerts,
- (c) Water loss associated with leaks,
- (d) Bill adjustments for leaks,
- (e) And savings from field operations.

5. Beginning 30 days after the annual anniversary date of this decision beginning in 2023 and after each anniversary date through 2026, San Jose Water Company (SJWC) shall file a Tier 2 Advice Letter annually to include the recorded costs of deployment of the Advanced Metering Infrastructure into rate base after it is made used and useful. Interest during construction will be accrued on a monthly basis at SJWC's actual weighted average cost of debt.

6. No later than 90 days from today, San Jose Water Company shall file a Tier 2 Advice Letter to modify its tariffs to include a description of the "Uniform

Formula” that it will use to calculate and prorate monthly service charges as resolved and agreed upon in the Settlement Agreement.

7. The request of San Jose Water Company and the Public Advocates Office of the California Public Utilities Commission that certain exhibits receive confidential treatment is granted for a period of three years from the date of this order. During this three year period, this information shall not be publicly disclosed except on further Commission order or Administrative Law Judge ruling. If either San Jose Water Company or the Public Advocates Office of the California Public Utilities Commission believe that it is necessary for this information to remain under seal for longer than three years, either of them may file a new motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

8. All rulings previously issued by either of the co-assigned Administrative Law Judges are affirmed herein.

9. Evidentiary hearings are not required in this proceeding.

10. Application 19-12-002 is closed.

This Order is effective today.

Dated June 2, 2022, at San Francisco, California.

ALICE REYNOLDS  
President  
CLIFFORD RECHTSCHAFFEN  
GENEVIEVE SHIROMA  
DARCIE L. HOUCK  
JOHN R.D. REYNOLDS  
Commissioners

# **ATTACHMENT 1**